



Proposed Regulation Agency Background Document

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| Agency name | Department of Housing and Community Development, Virginia Manufactured Housing Board |
| Virginia Administrative Code (VAC) citation | 13 VAC 6 -20 |
| Regulation title | Virginia Manufactured Housing Licensing and Transaction Recovery Fund Regulations |
| Action title | Clarifying changes to manufactured housing licensing requirements; better define warranty and retention of damages provisions; delete unnecessary sections; other clarifying amendments |
| Document preparation date | December 13, 2004 |

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 21 (2002) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

In a short paragraph, please summarize all substantive changes that are being proposed in this regulatory action.

In addition to several proposed amendments that correct the titles of other referenced regulations, correct section numbers, or re-arrange sections for clarity and continuity, the substantive changes to these Regulations include:

- Allowing the Board to require a salesperson or a designated representative of a dealer or broker to pass an examination as a requisite for licensure, including the requirement that the designated representative be a full time employee or member of responsible management. Definitions of full time employee and responsible management are also being added to explain the provision.
- Adding a requirement that an applicant for dealer or broker license submit a recent financial statement with the license application for review.
- Establishing the minimum age for a salesperson at 18 years of age.
- Allowing the Board to issue a probationary license to a salesperson for a specific period of time for review and oversight to ascertain the person's fitness to be licensed.
- Adding provisions for issuance of temporary licenses to allow licensees to operate at temporary locations for specified periods of time and sets the fees for the temporary licenses.
- Allowing the Board to deny, suspend, revoke or refuse to renew licenses of regulants shown to have a substantial identity of interest in manufactured housing businesses whose licenses have been denied or revoked previously by the Board. Substantial identity of interest is defined in this provision.

- Allowing the Board to suspend the license of the applicant if the applicant's check for the license fee is returned. The Board may suspend the license until the fee is paid in full. The fee may be adjusted to include any costs for penalties or fees associated with the returned check.
- Clarifying that dealer/manufacturer sales agreements are not required by the Regulations; however, if used, such agreements must comply with the Regulations.
- Deleting 13 VAC 6-20-250 to allow manufacturers to own and operate manufactured home retail operations in Virginia.
- Clarifying issues of warranties on manufactured homes, including provisions regarding repossessed homes and homes sold from dealer to dealer and clearer parameters for the warranties provided by manufacturers.
- Better defining the "time of sale" and "accepting or taking delivery of a manufactured home" for the disclosures of damages that may be retained and under what conditions.
- Clarifying that interest earned on the Transaction Recovery Fund may be used to pay claimant's damages awarded by the Board.
- Removing attorney fees from the amount of damages awarded by the Board.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., the agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

The statutory authority for the Board to promulgate the regulations is found in the General Assembly's mandate to the Board in Section 36-85.18 of the Code of Virginia, which directs the Board to promulgate regulations for the licensing of manufactured home manufacturers, dealers, brokers and salespersons; establishing and administering a transaction recovery fund; receiving and resolving manufactured home consumer complaints; levying and collecting fees; and making case decisions in accordance with the Administrative Process Act.

The promulgating entity is the Virginia Manufactured Housing Board, a nine-member Board established by Section 36-85.17 of the Code of Virginia and appointed by the Governor. Promulgation of the Regulations by the Board is a mandatory function. The Board is assisted in this activity by staff of the Department of Housing and Community Development.

Purpose

Please explain the need for the new or amended regulation by (1) detailing the specific reasons why this regulatory action is essential to protect the health, safety, or welfare of citizens, and (2) discussing the goals of the proposal and the problems the proposal is intended to solve.

The proposed amendment allowing the Board to require a salesperson or the designated representative of a broker or dealer to pass an examination before licensure will protect consumers by assuring that the applicant has adequate knowledge of the industry and understands the regulations under which they must conduct business. The goal is assure that salespersons, dealers and brokers are competent to solve the problem of issuing licenses to applicants with inadequate knowledge.

The proposed amendment to require submission of a recent financial statement for a dealer or broker is intended to protect the consumers and solve the problem of financially unstable dealers or brokers becoming licensed. The goal is to have only financially stable dealers or brokers licensed by the Board

The proposed amendment establishing a minimum age of 18 years for salespersons is intended to protect consumers and avoid problems caused by under-aged persons handling contracts and having access to the financial records and accounts of home buyers. The goal is to establish a minimum age for licensure consistent with the minimum age established by other Virginia licensure programs with comparable responsibility.

The proposed amendment to allow issuance of probationary licenses is intended to protect consumers and business owners by providing a specified period of time for review and oversight

of a salesperson to ascertain their fitness to be licensed. Current regulations provide for annual licenses only. The goal of the amendment is to allow the Board, if it is deemed appropriate, to issue a probationary license to an applicant with a felony conviction or other questionable items on their record to allow the applicant to work for a specified period of time while under review and oversight. This will give deserving individuals the opportunity to prove themselves reliable to enter the workforce while still protecting consumers and businesses.

The proposed amendment to allow renewable temporary licenses is intended to assist businesses in the ability to operate at temporary locations for specified periods of time and to address a problem if the company's business operations at the usual location are interrupted by fire, construction, or other reasons. The goal is to allow licensed businesses to continue operations at temporary locations rather than having to close or lose business.

The proposed amendment to allow the Board to deny licenses to applicants shown to have a substantial identity of interest in a business that previously lost its license will protect consumers by addressing a problem of having individuals setting up a new corporation and going right back in business after the original company was put out of business for violations of the regulations. The goal is to be able to keep individuals out of the manufactured housing business when it has been proven that under former corporate or business names those individuals caused consumers to suffer loss or damages due to their actions in violation of the Board's regulations.

The proposed amendment to allow the Board to suspend an applicant's license if the check for the license is returned or not honored is intended to protect the Board and Department from loss of funds and to address the problem the Department has with obtaining funds to cover the bad check and any fees the banks charge. The goal is to provide a quicker method of recovering the costs of returned checks by suspending the applicant's license.

The proposed amendment clarifying that dealer/manufacturer sales agreements are not required by the Regulations is intended to protect dealers and manufacturers and to address the problem of confusion about whether or not such agreements are required. The goal is to avoid any confusion by clearly stating that the agreements are not required, but when used the agreements must comply with the Regulations.

The proposed amendment to delete section 13 VAC 6-20-250 is intended to help manufactured home manufacturers address the problem of manufacturers being prohibited from owning a dealer location except under very specific conditions by deleting the section prohibiting such ownership. The goal is to strengthen the industry by allowing manufacturers to be vertically integrated and own or control dealerships in Virginia.

The proposed amendments addressing warranties protect consumers and businesses and are intended to address problems that have been encountered with how warranties are applied or enforced for houses that have been repossessed from dealers by finance companies or sold through auctions from one dealer to another. The goals of the amendments are to clarify how the manufacturer's warranty period is determined and to establish clear guidelines to determine when a home sold from one dealer to another becomes a used home and how that impacts the consumer's warranty on the home.

The proposed amendments providing better determinations of the time of sale and accepting or taking delivery of a manufactured home are intended to protect both the consumers and the dealers. The amendments address problems that have been encountered by the Board in trying to determine whether or not a buyer has accepted or rejected delivery of a home according to the sales contract for retention of damages by the seller and when the time of sale has occurred that would require the dealer to provide written disclosure to the buyer that damages may be retained. The goals are to provide clear guidelines that can be interpreted easily, fairly and accurately by both consumers and dealers to avoid misunderstanding by either party to the contracts.

The proposed amendment to state that interest earned on the Recovery Fund may be used to pay damages to claimants will provide increased financial protection to licensees paying assessments to the fund and to claimants by stating clearly that the interest earned by the Fund may be used to pay damages. This clarification will resolve any question of the use of the interest on the Fund. The goal is to clearly allow the interest to be used to pay damages awarded by the Board.

The proposed amendment to address the payment of attorney fees by the Board will provide financial protection to the industry by addressing the problem of including attorney fees as part of the damages paid by the Board. The goal is to clearly state that the Board does not award attorney fees as actual damages to be included with consumer complaints.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. (More detail about these changes is requested in the "Detail of changes" section.)

The new substantive provisions or substantive changes to the existing Regulations are:

- Allowing the Board to require passing an examination before issuance of licenses to brokers, dealers or salespersons
- Adding a recent financial statement to the list of items that must be submitted by an applicant for a dealer or broker license
- Adding a requirement for a minimum age of 18 for licensure as a salesperson
- Allowing the Board to issue probationary licenses for a specified period to allow oversight and monitoring of a salesperson to ascertain that person's fitness to be licensed
- Adding a provision for temporary licenses to allow businesses to operate at temporary locations due to business interruptions at the usual location
- Adding a provision to allow the Board to deny licenses to businesses that involve persons with a substantial identity of interest in former businesses that were denied licenses or that had their licenses suspended or revoked and establishing what constitutes a substantial identity of interest in a business operation
- Adding a provision for a remedy if bad checks are received for license fees
- Clarifying that dealer/manufacturer sales agreements are not required by the Regulations but, if provided, must comply with the Regulations

- Deleting the prohibition against manufacturers owning or controlling dealerships in section 13 VAC 6-20-250
- Providing better determinations of the parameters of the warranties provided by manufacturers and the warranties on homes sold from one dealer to another or through auction houses
- Clarifying the terms “time of sale” and “accepting or taking delivery of a manufactured home” for the purposes of determining retention of damages by the dealer
- Clarifying that interest earned on the Manufactured Housing Transaction Recovery Fund may be used to pay damages awarded to a claimant by the Board
- Removing attorney fees from being included with the actual damages that may be awarded by the Board to a claimant.

Issues

Please identify the issues associated with the proposed regulatory action, including:

- 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;*
- 2) the primary advantages and disadvantages to the agency or the Commonwealth; and*
- 3) other pertinent matters of interest to the regulated community, government officials, and the public.*

If the regulatory action poses no disadvantages to the public or the Commonwealth, please so indicate.

Issues associated with requiring a salesperson or designated representative of a dealer or broker to pass an examination prior to licensure:

1. The primary advantages to the public are more competent brokers, dealers and salespersons knowledgeable of the Regulations and industry standards. There are no discernable primary disadvantages to the public.
2. The primary advantages to the agency or the Commonwealth are fewer questions from the regulated community and a reduced need for disciplinary actions against licensees for violations due to lack of knowledge of the Regulations. There are no discernable primary disadvantages to the agency or the Commonwealth.
3. The development of the test or examination to demonstrate knowledge of the Regulations and industry standards will be of interest to the regulated community and the agency. Industry groups will be involved in the development of such examinations.

Issues associated with requiring the addition of a recent financial statement to the list of items that must be submitted with the initial application for a dealer or broker license:

1. The primary advantages to the public are assurances that the brokers and dealers are financially stable when licensed. There are no discernable primary disadvantages to the public.
2. The primary advantages to the agency or the Commonwealth are fewer problems with licenses being issued to financially unstable or insolvent dealer or brokers. There are no discernable primary disadvantages to the agency or the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with establishing a minimum age of 18 for licensure as a salesperson:

1. The primary advantages to the public will be having access to financial records and the handling of contracts and other legal documents limited to persons of a minimum age of 18 years old rather than being handled by minors. The only discernable disadvantage to a business might occur if a family business wanted to license a child as a salesperson and being prohibited by the proposed amendment until the child reached the age of 18 years.
2. There are no discernable primary advantages or disadvantages to the agency or to the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with allowing a probationary license to be issued for a specified time period for monitoring and oversight of the license applicant to ascertain the person's fitness to be licensed:

1. The primary advantage to the individuals with questionable records (felony convictions, previous loss of license, etc.) will be the opportunity to prove, under monitoring and oversight, that they can operate within the Regulations and deserve a license to enter the workforce. The primary advantage to businesses will be the opportunity to employ some applicants on a probationary license, under supervision, and give them the chance to earn the trust of the owners and the public when that applicant may have been denied a license otherwise because of their record. There are no discernable primary disadvantages to the public.
2. The primary advantage to the agency and the Commonwealth will be the ability to grant a probationary license to allow an applicant to work under monitoring to ascertain fitness for licensing while still maintaining the ability to protect the public from persons who should not be licensed due to their criminal records. There are no discernable primary disadvantages to the agency or the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with issuance of temporary licenses to allow licensees to operate at temporary locations for specified periods of time:

1. The primary advantage to the businesses will be the ability to obtain temporary licenses for operations at locations other than the originally licensed location to avoid or reduce business interruptions due to temporary inability to use the original location because of incidents such as fire, flood, road construction, etc. There are no discernable primary disadvantages to the public.
2. There are no discernable primary advantages or disadvantages to the agency or to the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with establishing the determination of a substantial identity of interest in a business operation and allowing the Board to deny, suspend, revoke or refuse to renew the licenses of regulants shown to have a substantial identity of interest in a manufactured housing business that has had a license denied or revoked by the Board:

1. The primary advantage to the public will be the consumer protection provided by prohibiting individuals who have been found in violation of the regulations and had a license denied or revoked from merely changing the name of their company or creating a new company and going right back in business and harming more consumers. There are no primary disadvantages to the public.
2. The primary advantage to the agency is the strengthened ability to protect manufactured housing consumers by having a clear definition of substantial identity of interest and by obtaining the clear authority to prohibit repeat violators that have lost licenses previously from changing the company name or starting a new company and possibly harming more consumers. There are no primary disadvantages to the agency or the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with allowing the Board to suspend the license of an applicant if the check for the applicant's license fee is returned until such time as the fee and any associated penalties or charges are paid to the agency:

1. There are no primary advantages or disadvantages to the public.
2. The primary advantage to the agency is the strengthened enforcement of the regulations by allowing suspension of the license if a check for payment of the license fee is returned and by allowing the agency to collect any charges, fees or penalties associated with the returned check. There are no primary disadvantages to the agency or Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with clarifying that dealer/manufacturer sales agreements are not required by the Regulations:

1. The primary advantage to the public, both consumers and businesses, will be the increased clarity of the Regulations to avoid the mistaken interpretation that the Regulations require dealers and manufacturers to enter into written dealer/manufacturer sales agreements. The Regulations will continue to address such agreements when used voluntarily by the parties. There are no primary disadvantages to the public.
2. The primary advantage to the agency will be clearer Regulations that will generate fewer questions. There are no primary disadvantages to the agency or the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with deleting 13 VAC 6-20-250 to allow manufacturers to own and operate manufactured home retail operations in Virginia:

1. The primary advantage to the public will be to the manufacturers that have expanded their companies through vertical integration in other states to include retail as well as manufacturing operations by allowing them to expand in Virginia in the same manner. There are no discernable primary disadvantages to the public.
2. This proposal may provide an advantage to the Commonwealth by allowing and encouraging expansion of the manufactured housing industry by allowing the manufacturers to expand vertically and open and operate retail sales locations. There are no discernable primary disadvantages to the agency or to the Commonwealth.

3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with clarifying the warranty requirements for manufacturers in the Regulations and addressing warranties for repossessed homes sold to other dealers:

1. The primary advantages to the businesses are clearer Regulations leading to a better understanding of the specific warranty period from the manufacturer, when the warranty period starts for the manufacturer and for the dealer, and how and when the warranties apply to repossessed homes sold from one dealer to another along. Consumers will have the advantage of additional protection by receiving a written notice of the warranties or lack thereof on repossessed homes. There are no primary disadvantages to the public.
2. The primary advantage to the agency will be clearer Regulations that will generate fewer complaints and questions about the interpretation and application of the Regulations. There are no primary disadvantages to the agency or the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with better defining the terms “time of sale” and “accepting or taking delivery of a manufactured home” for disclosures of damages that may be retained by dealers from the consumers’ down payments and under what conditions:

1. The primary advantage for the public is having Regulations that are more clearly written to specify exactly when the buyer must receive the written notice from the dealer that the dealer may withhold damages from the buyer’s down payment if the buyer fails to accept delivery of the home as contracted and a clearer determination of exactly what constitutes accepting or failing to accept delivery of the home. The clearer Regulations should result in less confusion by the consumers and businesses leading to fewer questions and claims regarding the retention of damages by dealers. There are no primary disadvantages to the public or the businesses.
2. The primary advantage to the agency is having clearer Regulations that will generate fewer questions, misunderstandings and claims. There are no primary disadvantages to the agency or the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with clarifying that interest earned on the Transaction Recovery Fund may be used to pay claimant’s damages awarded by the Board:

1. There are no discernable primary advantages or disadvantages to the public.
2. The primary advantage to the agency is having the clearly established authority to use the interest to pay claims to avoid any questions by auditors. There are no primary disadvantages to the agency or the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Issues associated with removing attorney fees from damages awarded by the Board:

1. The primary advantage to the public is to establish a clear understanding that attorney fees are not part of the damages that can be awarded by the Board to avoid having

consumers file claims for such fees to the Board. There are no primary disadvantages to the public.

2. The primary advantage to the agency is to have clearer Regulations resulting in fewer questions and attempts by consumers to be reimbursed from the Transaction Recovery Fund for attorney fees. There are no primary disadvantages to the agency or to the Commonwealth.
3. There are no other discernable pertinent matters of interest to the regulated community, the agency or the public.

Economic impact

Please identify the anticipated economic impact of the proposed regulation.

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| Projected cost to the state to implement and enforce the proposed regulation, including (a) fund source / fund detail, and (b) a delineation of one-time versus on-going expenditures | <p>The projected cost to the state to implement and enforce the proposed amendments should be zero, therefore:</p> <ul style="list-style-type: none"> (i) The fund source/fund detail is not applicable, (ii) The budget activity with a cross-reference to program and subprogram is not applicable, and (iii) The delineation of one-time versus on-going expenditures is not applicable. |
| Projected cost of the regulation on localities | The projected costs of the amendments to the Regulations on localities is zero. |
| Description of the individuals, businesses or other entities likely to be affected by the regulation | Manufactured home manufacturers, dealers, brokers and salespersons applying for license or licensed with such businesses will be affected by the amendments to the Regulations as will people who have purchased or enter into contracts to purchase manufactured homes. |
| Agency's best estimate of the number of such entities that will be affected | 50 manufactured home manufacturers 260 manufactured home dealers 8 manufactured home brokers 800 manufactured home salespersons Purchasers of approximately 4,000 manufactured homes annually |
| Projected cost of the regulation for affected individuals, businesses, or other entities | Estimated costs of \$75 or less for administration of examination prior to licensure for salespersons and designated representatives of dealers and brokers. Remaining amendments should result in little or no additional costs for affected individuals, businesses or other entities. |

Alternatives

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.

During the proposed adoption phase of this regulatory action the Virginia Manufactured Housing Board asks various groups including the Virginia Manufactured and Modular Housing Association (the industry trade association) the Virginia Building and Code Officials Association (the local regulatory officials association) and other trade and consumer groups through the Virginia Register to review the regulations and offer comments and suggestions for specific alternatives. The Board decided to adopt as proposed regulations those suggestions submitted to the Board for improvement and clarity of the regulations. The rationale of this procedure forms the basis of the process used by the Board to select the least burdensome and intrusive alternatives that meet the essential purpose of this regulatory action to provide consumer protection in the manufactured housing industry.

Public comment

Please summarize all comments received during public comment period following the publication of the NOIRA, and provide the agency response.

| Commenter | Comment | Agency response |
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| No comments were received following the NOIRA. | | |

Family impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability.

This proposed regulatory action should have no discernable impact on the institution of the family and family stability.

Detail of changes

Please detail all changes that are being proposed and the consequences of the proposed changes. Detail all new provisions and/or all changes to existing sections.

If the proposed regulation is intended to replace an emergency regulation, please list separately (1) all changes between the pre-emergency regulation and the proposed regulation, and (2) only changes made since the publication of the emergency regulation.

For changes to existing regulations, use this chart:

| Current section number | Proposed new section number, if applicable | Current requirement | Proposed change and rationale |
|------------------------|--|---------------------|---|
| 6-20-10 | | n/a | Add definition of "full-time employee" used as condition for designated representative to take examination for dealer or broker. |
| 6-20-50 | | n/a | Add definition of "responsible management" used as a condition for the designated representative of the dealer or broker. |
| 6-20-60 | | n/a | Add provision to allow the Board to require designated representative of dealers, either full-time employee or member of responsible management, to pass an examination prior to license being issued to increase consumer protection by assuring dealer's knowledge of regulations and to increase competency. |
| 6-20-90 | | n/a | Add a requirement that applicants for dealer licenses submit current financial statements to assure financial stability of applicants. |
| 6-20-100 | | n/a | Add provision to allow the Board to require designated representative of brokers, either full-time employee or member of responsible management, to pass an examination prior to license being issued to increase consumer protection by assuring broker's knowledge of regulations and to increase competency. |
| 6-20-130 | | n/a | Add a requirement that applicants for broker licenses submit current financial statements to assure financial stability of applicants. |
| | | | Establish 18 years of age as the minimum age for salespersons to prohibit under-aged persons from handling contracts and having access to financial records and account information of home buyers. |
| | | | Add provision to allow the Board to require a salesperson to pass an examination prior to a license being issued to increase consumer protection by assuring salesperson's knowledge of regulations and competency. |
| | | | Add provision to allow the Board to issue a probationary license for a specified period of time to protect consumers by providing time for review and oversight of a salesperson to ascertain his/her fitness to be licensed. |
| 6-20-160 | | n/a | Add provision to allow renewable temporary licenses for up to 60 days at a time to allow licensed businesses to operate at a proposed location to avoid or minimize interruptions to |

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| 6-20-170 | | n/a | business due to construction delay or natural disaster and address fees for such licenses. Add a provision allowing the Board to deny, suspend, revoke or refuse to renew the license of a manufacturer, dealer or broker shown to have a "substantial identity of interest" in a business that previously lost its license and defines substantial identity of interest. This provision will allow the Board to keep persons who's businesses lose their license due to violations of the regulations from simply changing the name of the business or forming a new corporation or other business form/interest and re-opening with potential harmful effects on consumers. |
| 6-20-200 | | n/a | Add a provision to suspend an applicant's license if the check for the license is returned or not honored until such time as the check and any related charges are paid in full to the Board so that the Department will be better able to collect funds due to returned checks. |
| 6-20-210 | | n/a | Add language that dealer/manufacturer sales agreements are not required to clarify any confusion by dealers and manufacturers that they must have such agreements to operate. |
| 6-20-250 | | Prohibits a manufacturer from operating a retail or dealer operation except under specific conditions. | Repeal the section to allow manufacturers to operate dealer locations to eliminate an out-dated, restrictive business prohibition that was a holdover from the regulation of the manufactured housing dealers as part of the motor vehicle industry. |
| 6-20-310 | | n/a | Add provisions to address homes sold from dealer to dealer or by finance companies to dealers, the effects such sales have on the warranties of the houses, and requirements for advising purchasers of such effects so that buyers of the homes will be protected from misunderstandings about warranties and businesses have clearer requirements. |
| 6-20-320 | | Required warranties from manufacturers and dealers have the same start time, based on when the <u>dealer</u> completes all terms of the contract. | Separates warranty duration into two parts and establishes separate start time for manufacturer's warranty period and dealer's warranty period to provide more equitable treatment for manufacturers and placing the responsibility for dealer's warranty duration on dealer without also subjecting the manufacturer to periods outside his control. |
| 6-20-400 | | Does not define or clearly establish when the buyer is to receive the written disclosure of retention of damages and what constitutes accepting or refusing to accept delivery of a manufactured home by the buyer for purposes of | Add language to establish clearly at what point in the sale or negotiations the dealer must provide the written disclosure to the buyer that the dealer may, under certain conditions, retain part of the buyer's deposit and add a determination of what constitutes accepting or refusing to accept delivery of a home to determine if the dealer may retain damages from the buyer's deposit to protect |

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| 6-20-420 | | the retention of damages by the dealer. | the consumer from unjustified loss of deposit while providing clear restrictions on the dealer and buyer in determining whether the buyer has failed to accept delivery of a home. |
| 6-20-430 | | States only that interest on the Recovery Fund may be used to provide educational programs on manufactured homes to consumers. States that damages shall not include attorney's damages <u>for representation before the Board.</u> | Add language to allow the interest that accumulates on the Transaction Recovery Fund to be used to pay damages awarded to claimants by the Board as well as providing the educational programs for clarity. Delete the phrase "for representation before the Board" to explain clearly that the Board does not consider attorney's fees to be part of actual damages and such fees will not be included in the damages awarded by the Board from the Recovery Fund. |

Enter any other statement here